

Kentucky Main Street
Good News in Tough Economic Times
May 2011



KENTUCKY MAIN STREET CITIES

41,528

TOTAL DOWNTOWN JOBS

5,853

TOTAL DOWNTOWN SMALL
BUSINESSES

Kentucky Main Street Program Overview

- ✓ Currently 80 Kentucky Main Street cities.
- ✓ Established in 1979 and the first statewide coordinating program in the nation.
- ✓ Associated with the National Trust's Main Street Center in Washington, DC which is a highly respected downtown revitalization organization.
- ✓ KY Main Street is a program housed in the KY Heritage Council and a proud member of the Tourism, Arts and Heritage Cabinet.



Main Street 4 point Approach

- **Economic Restructuring**
 - Strengthens your community's existing economic assets while diversifying its economic base.
- **Promotion**
 - Advertising, retail promotions, special events, and marketing campaigns help sell the image and promise of Main Street to the community and surrounding region.
- **Organization**
 - Organization establishes consensus and cooperation by building partnerships among the various groups that have a stake in the commercial district.
- **Design**
 - Design means getting Main Street into top physical shape and creating a safe, inviting environment for shoppers, workers, and visitors.

Downtown Revitalization is Economic Development

2009 National Main Street Reinvestment Statistics

- **Dollars Reinvested:** - Total amount of reinvestment in physical improvements from public and private sources. **\$48.9 Billion**
- Net gain in businesses: **94,176**
- Net gain in jobs: **417,919**
- Number of building rehabilitations: **214,263**
- **Reinvestment Ratio(i):** - the *average* number of dollars generated in each community for every dollar used to operate the local Main Street program. **\$27 to \$1**



Kentucky Main Street Investments

- In **2009 alone**, Kentucky Main Street and Renaissance on Main programs reported more than **\$350 million** invested in downtowns through these programs, representing:
 - **1,971 net jobs** in Main Street districts
 - **377 new businesses created**
 - **417 downtown buildings rehabilitated**
- This investment, totaling \$350,649,922 includes:
 - \$127,486,018 in public investment
 - \$223,163,904 in private investment
 - 80,792 volunteer hours committed by board members and community supporters
- In fact, more than \$3.5 billion has been reinvested in our state's economy since the Kentucky Main Street Program began!

Main Street = Jobs

Local Main Street programs generate jobs through
Small Business GROWTH.

➤ **Ashland**

- Number of businesses in their downtown district 74
- Total number of **jobs** downtown **270**

➤ **Henderson**

- Number of businesses in their downtown district 200
- Total number of **jobs** downtown **1000**

➤ **Ft. Thomas**

- Number of businesses in their downtown district 35
- Total number of **jobs** downtown **207**

➤ **Springfield**

- Number of businesses in their downtown district 78
- Total number of **jobs** downtown **329**

Main Street = Revenue

What are additional financial benefits generated from a revitalized downtown?

- Increase employment tax revenue
- Increase property values
- Increase business licenses & permit revenues
- Increase sales tax revenue
- Create rehabilitation construction jobs
- Increased market for construction materials
- Increase in bank receipts and loan serving
- Create heritage tourism destinations
- Create extended stay opportunities for KY visitors
- Increase small businesses & revenue potential



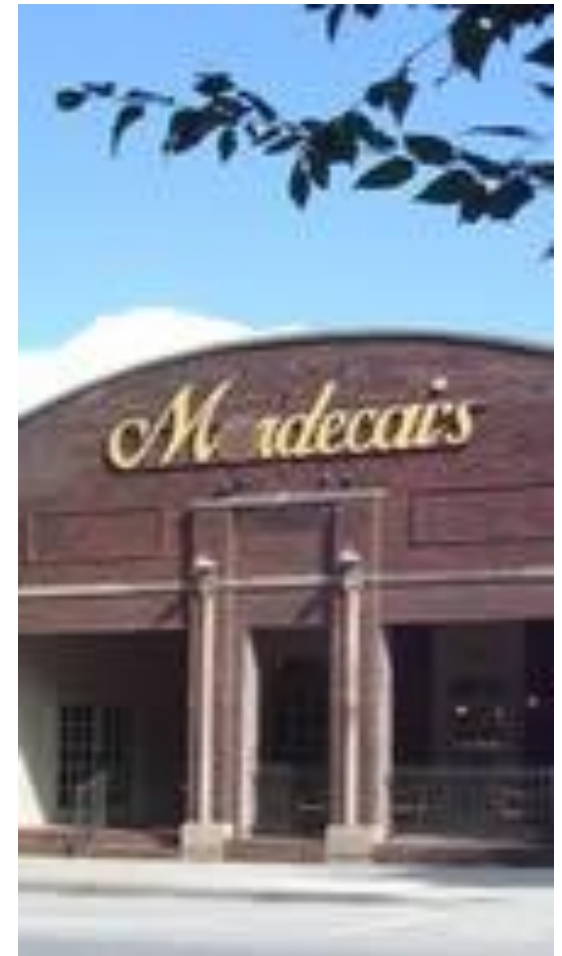
Downtown = Economic Opportunity

- ✓ Federal & state **tax credits** are available for rehabilitation of historic sites.
- ✓ Occupied downtown buildings creates **greater** need for utilities, bank services, etc.
- ✓ Downtown upper story development provides **valuable** housing for local work force.
- ✓ White elephant buildings are commercial spec sites full of economic **opportunity**.



Main Street = Industrial Development

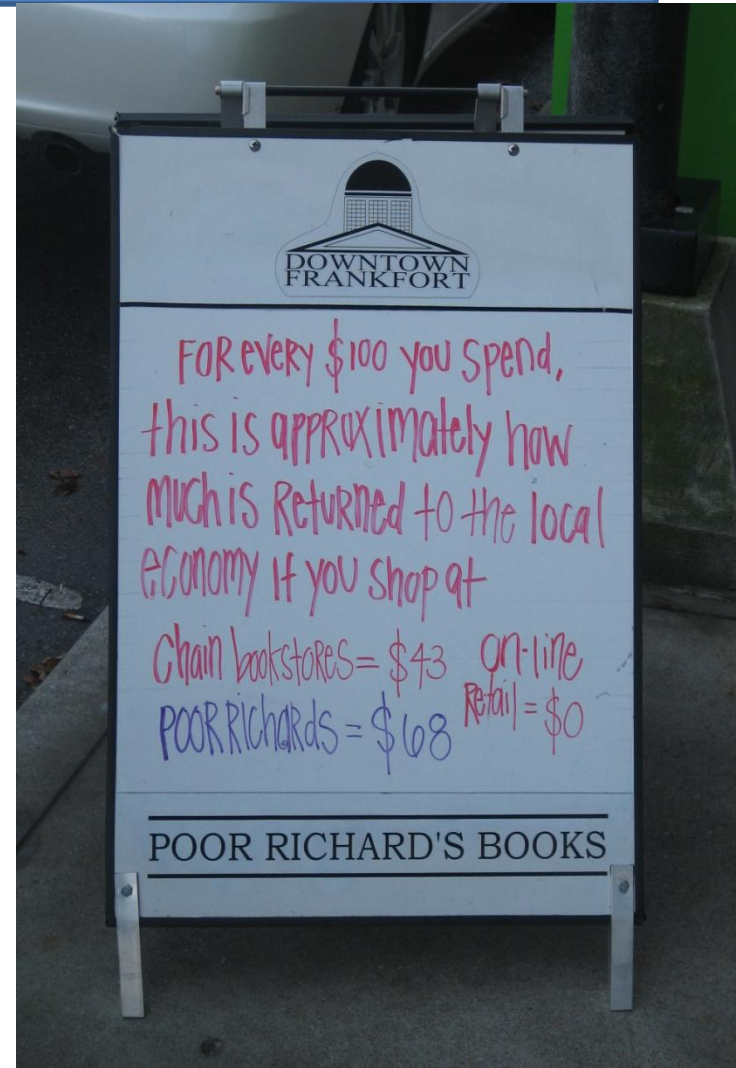
- “I have confessed in my talks that when I first got started in economic development, I viewed downtown revitalization as throwing good money after bad,” says Schultz. “I’ve really had a 180- degree turn from that. What I’ve seen is, the really **good communities** have figured out a way to **leverage their downtowns** and to create a **unique** sense of **place**, which I think **people and companies** are **looking for**. “
- Source: Jack Schultz, CEO of Agracel Inc., an industrial development firm majoring in rural America



Main Street is the quintessential example of shop local campaigns

Nationwide, statistics show that shopping dollars spent downtown have a greater return on investment back into the community:

- 6 cents of every dollar spent with a “big box” retailer is retained/recirculated in a community (Source: *Rocky Mountain Institute*)
- 20 cents of every dollar spent with a chain store is retained/recirculated in a community (Source: *Small Business Administration*)
- **60 cents of every dollar spent with a sole proprietorship is retained/recirculated in a community** (Source: *Small Business Administration*)



Downtown Revitalization is the **GREENEST** form of Economic Development

- ✓ Existing infrastructure
- ✓ **Historic buildings provide the greatest mixed use development opportunities**
- ✓ Pedestrian oriented vs. auto oriented
- ✓ **Movement to a knowledge based economy**
- ✓ Clicks & Bricks provides for location neutral small business growth potential
- ✓ **Aging in place for boomer generation**
- ✓ Population demographics cause movement to recruitment of talent vs. recruitment of jobs
- ✓ **Kentucky downtowns represent various employment sectors including retail, office, governmental, recreational, light industrial.**



**Save
Green**
by design

Main Street Program Benefits for Local Government Officials



- Increases tourism opportunities
- **Increased number of jobs**
- Positive perception of downtown and community
- **Healthier economy**
- Better relations between City Hall and private sector
- **Impetus for public improvements and grant dollars**
- Education resources for city leaders on planning and economic development
- **Increased volunteer base for city**
- Heritage tourism
- **Increases tax base**
- Help with parking issues
- **Increases property values**

Main Street Program Benefits for Downtown Business Owners

- Improved image, creates new market
- **Healthier economy generates new and more business opportunities**
- Image building and improvement
- Pride in downtown
- **Increased population, new costumers**
- New/renewed/repeated exposure
- Increased variety of services
- Increased competition means more aggressive business styles tapping leakage
- **Cooperative marketing opportunities**



In Challenging Economic Times What Does a Farsighted Local Government Do?

- It acts with fiscal responsibility in reusing the infrastructure investment that's already been made. **That's Main Street!**
- It provides a physical environment that is conducive to small business start-up and expansion. **That's Main Street!**
- It identifies the assets that make it distinctive and differentiated in order to be competitive in the long term. **That's Main Street!**



Source: Donovan Rypkema

In Challenging Economic Times What Does the Visionary Non-Profit Do?

- It invests where its dollars can have the greatest impact. **That's Main Street!**
- It invests to stabilize neighborhoods and enhance quality of life. **That's Main Street!**
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- It uses limited resources to make a big difference. **That's Main Street!**
- It uses its assets to serve the widest possible audience. **That's Main Street!**



Source: Donovan Rypkema

For every ONE DOLLAR used to operate a local Main Street Program



Source: National Main Street Center
Reinvestment Ratio Analysis

\$27 is reinvested into YOUR Main Street City



KENTUCKY MAIN STREET PROGRAM

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